

House Bill 673 (AS PASSED HOUSE AND SENATE)

By: Representative Hembree of the 67th

A BILL TO BE ENTITLED
AN ACT

To amend Code Section 33-7-11.1 of the Official Code of Georgia Annotated, relating to the commencement of liability of insurer to pay benefits to a third party on behalf of the insured, so as to provide for an insurer to provide notice to a third party that failure to use proceeds in accordance with a security agreement of the third party and a lienholder may constitute a violation of Code Section 16-8-4; to provide for applicability; to provide for related matters; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

Code Section 33-7-11.1 of the Official Code of Georgia Annotated, relating to the commencement of liability of insurer to pay benefits to a third party on behalf of the insured, is amended by adding a new subsection and revising subsection (c) as follows:

"(c) When making any payment to a third party for damage to an automobile for any loss, the insurer shall have printed on the loss estimate, if prepared directly by the insurer, the following:

'Failure to use the insurance proceeds in accordance with a security agreement between you and a lienholder, if any, may be a violation of Code Section 16-8-4 of the O.C.G.A. If you have any questions, contact your lending institution.'

This subsection does not apply if the insurer does not prepare the loss estimate or if the estimate is not prepared in the State of Georgia.

~~(c)~~(d) The provisions of this Code section shall be applicable to all automobile liability or motor vehicle liability insurance policies that pay benefits to a third party on behalf of an insured for the loss of use and towing and storage costs of such motor vehicle issued, delivered, or renewed in this state on or after ~~July 1, 2002~~ January 1, 2009."

SECTION 2.

All laws and parts of laws in conflict with this Act are repealed.